

REMARKS/ARGUMENTS

The Office action dated November 30, 2004, has been received and carefully reviewed. As a result of the Office action, claims 1 through 8 have been allowed and claim 11 is rejected as being obvious in light of Hughes, United States Patent 5,745,655 in view of Thomas, United States Patent 6,064,988, and further in view of Bartoli et al, United States Patent 6,047,268.

Claim 12 is objected to as being based on a rejected claim.

The present invention is directed to an automated method of card acceptance for processing of financial transactions originating at a point of sale computer system of a store site and being approved by a computer system of a remote financial institution. In particular the invention is directed to an automated process that effectively identifies payments which are capable of being settled using a debit point of sale transaction network. This improvement and the recognition of a transaction that is capable of being settled using a debit point of sale transaction network is accomplished by conducting an evaluation of a card presented for payment and determining whether the card falls into one of three different categories. Basically the card is examined to determine whether the card is

- 1) confirmed to be debit capable; or
- 2) the card is confirmed to be credit capable; or
- 3) a third category where the card may be debit capable

This automated preliminary assessment is carried out by analysis of a database of card bank identification numbers associated with the point of sale computer system. This allows a fast response by the system and avoids delays at the cash register.

In the event of a card is presented which falls into the third category, the system automatically requests entry of information from the card holder clarifying whether the transaction is to be settled as a PIN based debit transaction or non PIN based transaction and thereafter using the appropriate form of settlement. In the event that it can be successfully settled, based on a debit sale transaction, then the database of card bank identification numbers associated with the point of sale computer system is updated such that future transactions to be settled with this card will be confirmed to be debit capable.

As outlined in the background of the invention, this is particularly desirable in that it provides a system which is continuously updated based on successful transactions and it also settles the transactions in a manner advantageous to the merchant.

As noted by the Examiner, neither the primary reference of Hughes nor the secondary reference of Thomas have any capability for operating in the manner set out in claim 11.

The primary reference of Hughes as outlined in Figure 5a of the patent establishes that a prompt is provided to the purchaser to indicate whether he wishes to settle the financial transaction process as a credit transaction or as a debit transaction. As previously argued, item 164 clearly indicates that the customer receives a prompt and provides a response from the user where the user selects either credit or debit. Therefore, according to the primary reference, it is the customer's choice in response to a prompt where the customer selects either a debit or credit transaction. This concept is in direct contradiction to the present invention where the user upon presenting the card, the system conducts a preliminary assessment using the database of card bank identification numbers to determine whether the particular transaction is capable of being settled using a debit point of sale transaction network.

The secondary reference of Thomas is believed to operate in a conventional manner. As outlined in the background of the present application, it is known to receive information from the cards and based on the received information, determine whether the cards are debit capable or credit capable. Thomas discloses a system where this appears to be the case. According to Thomas, authorization data 22 is provided to the tag unit 15 and the remote terminal 12 communicates with this data source to determine how to process the transaction. The transaction is eventually communicated to the central computer 10.

As indicated in the Action, there is no third category of cards as required according to the present claims and there is no determination of this third category type to complete the financial transaction in a particular manner and to update a database.

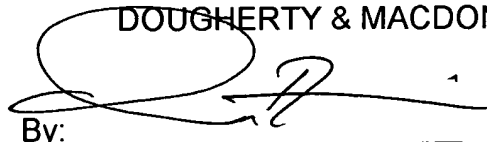
The third reference of Bartoli et al, United States Patent 6,047,268 is also believed to be deficient in failing to even suggest a system as set out in claim 11. The Examiner has referred to column 3, lines 15 through 41 of the reference and submits that this reference includes adding to the database bin information with respect to PIN based debit transactions if successfully settled where the preliminary assessment was uncertain. It is respectfully submitted that the reference does not operate on this basis.

The reference is primarily concerned with the unauthorized copying or stealing of "cookie information". The system according to Bartoli et al requires the billing server to provide the client terminal with a random number which is sent to the user's client terminal for use for the next transaction, together with a sequence number that tracks the number of separate billing transactions conducted by the user associated with the static number (column 3, lines 18 through 24). Copying of the "cookie information" associated with a successful transaction does not allow a fraudulent second transaction based on this information. Upon recognizing copied information, the billing server then requests an ID and password from the user for the user authentication. This is partially based on the new random number that is provided to the user for use in the subsequent transactions.

Column 3 of the reference merely provides an unrelated authentication process associated with a previously recognized card. There is no teaching in this reference of conducting a preliminary assessment of a card presented for payment and based on this assessment, determining three possible categories. Furthermore, there is certainly no determination of any cards which may be debit capable based on the preliminary assessment and then processing these possible debit capable cards in the specified manner. Furthermore, there is no updating of the database whereby the presentation of this card in future transactions will be recognized as being debit capable.

In view of the above, reconsideration and allowance of the application is requested.

Respectfully submitted,
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